



NEWS RELEASE

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GREEK SHIPPING COMPANY PLEADS GUILTY AND IS SENTENCED IN FEDERAL COURT FOR NOT MAINTAINING AN ACCURATE OIL RECORD BOOK ON VESSEL

Anchorage, Alaska – United States Attorney Nelson P. Cohen announced that on June 23, 2008, Fairport Shipping, LTD., a company whose headquarters are based in Athens, Greece, was sentenced in federal court in Anchorage to pay a fine of \$250,000 with \$150,000 of the fine suspended on condition that it commit no further violations of United States laws for its conviction for failing to maintain an accurate oil record book on board its vessel, the M/V Asahi.

Chief United States District Court Judge John W. Sedwick imposed the sentence on Fairport Shipping pursuant to a plea agreement entered into by the parties.

According to information presented to the court by Assistant United States Attorneys Karen L. Loeffler and Andrea Steward, Fairport Shipping operated the M/V Asahi, a refrigerated cargo vessel. Cargo vessels of the size of the Asahi are required by international law to keep an accurate record of any transfer of oil or oily waste aboard the vessel in a document called the oil record book. In addition, the vessel may not pump any water overboard unless it contains less than 15 parts per million of oil – or is, in essence, clear water.

On March 6, 2002, the Asahi entered Dutch Harbor, Alaska. During this time frame the U.S. Coast Guard conducted a vessel examination of the engine room of the M/V Asahi after it arrived at the port in Dutch Harbor. The U.S. Coast Guard discovered a 'by-pass' hose. The bypass hose was a seven-foot section of plastic hose that was fitted with flanges that can be attached to waste oil piping on one end and the overboard discharge valve of the vessel on the other end so as to bypass the oil water separator and pump oil waste directly overboard from the bilge and waste oil storage tanks in excess of the allowable 15 parts per million of oil.

The plastic hose was used to illegally discharge oily waste water overboard from the M/V Asahi en route to Dutch Harbor from Tokyo. During that voyage on at least two occasions the hose was used to pump bilge water containing oily waste and sludge directly overboard without first separating out the oil. The chief engineer never used the oil water separator and he entered false statements in two oil record books maintained on the M/V Asahi, stating that the oil water separator had been used and falsifying the amounts of sludge that were burned. The oil record books containing the false entries were presented to the U.S. Coast Guard during the examination in the port at Dutch Harbor, including an oil record book with false entries during the time period from December 31, 2001 to March 5, 2002. The false entries

were material to the enforcement and regulatory duties of the Coast Guard as the oil record books are required by law to be maintained and available for inspection at every port.

Judge Sedwick accepted the parties' plea agreement and imposed a sentence including payment of a the fine and probation on this Liberian company headquartered in Greece.

"The United States Coast Guard, EPA CID and the U.S. Attorney's Office for Alaska take very seriously our responsibility to enforce federal law designed to protect the pristine waterways of Alaska," said Mr. Cohen. "Oil separator systems and the record keeping requirements that go with them provide protection of those valuable resources. When the system is undermined by criminal conduct such as it was here, we will pursue the case and prosecute as the law allows."

According to Scott West, Special-Agent-in-Charge with EPAs Criminal Investigation Division in Seattle, this case illustrates that falsifying ship records—especially those documenting waste discharge—is a serious crime. "Protecting the ocean begins with accurate and honest record-keeping," said West. "Throughout history, mariners have respected the ocean for its life-sustaining power. This case should send a clear message that EPA is committed to identifying and prosecuting maritime polluters."

Mr. Cohen commended the United States Coast Guard Investigative Service and the Environmental Protection Agency—Criminal Investigations Division for the investigation leading to the successful prosecution of Fairport Shipping.

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